

# THE LEARNING ORGANIZATION

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**Abstract:** *We are living in time of complex and unpredictable changes that affect the operations and management in organizations. In order for organizations to be successful in these conditions, they must be able to create new values, accept, and implement the concepts of organizational culture, corporate values, innovations, and re-engineering, developing programs of a learning organization.*

*Only organizations that anticipate and react to changed business conditions and adapt to them will be able to successfully operate and compete.*

**Keywords:** *organization, change, knowledge*

Under the new conditions of the environment in which organizations operate is coming to many conflicts with the traditional hierarchical structure of the new flexible structures that accept teamwork, continuous learning, creating and managing changes.

The organization must develop a system of knowledge through the learning system. Knowledge must be applicable in practice and lead to successful results in the market.

Substantial changes in the organization are reflected in the change of internal monitoring of employees (workers become associates) and observing the environment changes (yesterday's problems become challenges and threats are becoming yesterday's chances).

The organizational structure prevails in horizontal coordination and communication, creating new dynamic management teams and creates a need for continuous learning and improvement.

"Organizational leaders are going through significant changes in the understanding of the imperatives of the organization. In the past, their goal was to achieve excellence while still learning and aim to not only achieve excellence but also to sustain the organization through the flexibility, intelligence, and adaptability.

Today's organizations are based on knowledge and skills and are made by professional people whom independently control and direct the activities through mutual interaction. Skills and personal abilities of the individual and teamwork are of paramount importance. Members of the organization manage themselves, and management of the organization should be employed to guide and inspire, not to control and to command them.

Today's society is in constant process of changes imposing new requirements and principles that are significantly different from those that dominated the twentieth century. We live in a

time of high turbulence and uncertainty in all spheres of human activity<sup>1</sup>. Each individual, in particular managers need to think not only about what is successful today, but also about what the future demand. Given the fact that the future is based on the production, use and designing skills, i.e. to enter the knowledge-based society, the managers cope with new tasks, i.e. knowledge management.

Expansion and development of knowledge-based economy is largely connected to development of new technologies and is heavily influenced by the flow of information. Knowledge has become the most important resource of economic life.

Using knowledge and continuous learning directly affect the system and management styles in organizations, i.e. it is modeling and change management and imposes new requirements. To be successful, modern organizations become so-called „learning organizations“.

Learning is the key driver for sustainable and competitive advantage of organizations. Its main contribution to the work is to transform people into productive human capacity that is able to provide superior performance through effective leadership and technology, knowledge and content sources.

Learning and development are becoming a vehicle for increasing human aspirations for self-improvement to new knowledge in order to ensure the critical transition to a new value of labor and the process towards a new dimension where:

- people become strong and personally responsible for their own development and learning
- work and study be the same thing
- people identify themselves primarily through project teams and communities of practice
- teams and individuals will enable increasing their collective knowledge
- Personalization will be the key that allows the best individual performance

Learning is the development of professional knowledge of high level of mutual connections, including decision-making, problem solving, teamwork, critical thinking, and situational setting. It is part of the process by which organizations create and adopt intellectual capital, and most importantly know-how to build a competitive advantage providing faster responses to the customers, cheaper and much more complete. Knowledge management occurs as a result of the increasing demands by the business globally. To maintain competitiveness and response requirements of modern businesses, organizations must continuously increase the quality of corporate knowledge.

Knowledge management is not an easy job, but is inevitable if the organization wants to do business successfully. Quality use of corporate knowledge, its location and systematization, may be critical to generating new ideas, and thus for the complicated process of turning knowledge into better sales, higher profits or higher market share.

Learning organization is one in which all people, individually and collectively, continually increasing their capacity to produce results they care about.

In a learning organization, employees continually strengthen its ability to create the results they want, foster new, more developed forms of thinking, individual and collective aspirations and are constantly learning how to learn together.

Peter Senge believes that a learning organization has five learning disciplines i.e. key blocks<sup>2</sup>:

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<sup>1</sup> Radosavljevic, Z.: Unsustainability of classic state and economics in modern conditions, International journal of economics & law, Novi Sad, 2011

<sup>2</sup> Peter M. Senge: The Fifth Discipline, The Art and Practice of the Learning Organization, New York, 1994

- Systematic thinking;
- Personal improvement;
- Mental models;
- Team learning;
- Building of a shared vision

Systemic thinking involves the process of research, use and communicate that describes the relationships and understand the internal forces within the organization. It is built into the organization so the patterns could be seen clearly and assist in the process of adapting to change.

Personal training is the responsibility of all employees in the organization and the organization itself must encourage and support innovation.

Mental models are personal pictures of how the world is working, its assumptions and understandings.

Shared vision is the basis around which employees gather and based on that its integrity is achieved. A vision is a roadmap that guides, link, and controls staff.

Team learning allows employees to achieve goals by working together, but also to develop and improve their skills.

Learning organization is an organization that helps the learning of all its members and which is constantly transforming<sup>3</sup>.

Model of a learning organization appeared in '90s of the twentieth century in order to encourage employees in the organization to learn and constantly transforming to meet the needs of employees and adjustments arising from changes in the external environment.

Need to build "a learning organization" become more pronounced with accepting knowledge on knowledge-based competitiveness. Such organizations must apply generative learning or learning in a double circle, as its permanent, continuous activity.

Modern organizations, depending on their activity, can apply learning system based on continuous adaptive learning and system based on the periodic alternation of adaptive and generative learning.

Learning organization is able to:

- systematically solve problems;
- experimenting with new approaches;
- learn through its own past and experience;
- learn through experience and the best practices of others;
- quickly and efficiently transform knowledge throughout the organization

Model of a learning organization supports changes in the organization and advocate for radical change in management and employees behavior.

Organizational learning is a continuous process of change that occurs as a result of experience and new knowledge that enterprise attain, in order to improve, innovate and improve its business.

"A learning organization" is capable of creating knowledge through systematic learning from others and understanding the changes that occur constantly in the company and its environment. Learning organization foster learning among employees and exchange of information thus creating educational workforce. The organization becomes flexible; employees adapt to new ideas and accept changes through shared vision. This is necessary because learn quickly means to adapt rapidly to changing environment.

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<sup>3</sup> Torrington D. Hall. L. Taylor S. *Menadzment ljudskih resursa*, Beograd, Data Stratus 2004, p.284

Action in a learning organization has two purposes:

- to solve the current problem;
- to learn from the process of solving problems<sup>4</sup>

David Bohm defines a learning organization as an organization in which people at all levels, individually or collectively, continually enhance their capacity to achieve results to which they really care about<sup>5</sup>.

Organizations that accept the model of a learning organization have the goal to be the best in their industry and to achieve high performance. Their learning style is specific, recognizable, and different from others, they are a working team, decision making is decentralized, expressed by the leadership and to staff continuing education is enabled.

It is necessary to learn to learn quickly, otherwise, instead of a player becomes a spectator<sup>6</sup>.

For organizations to become learning organization, it must have:

- A leader with a clear vision;
- A detailed and measurable action plan;
- Rapid exchange of information;
- Invention;
- Ability to implement actions in the work

Successful "learning organizations" create a creative approach to an unknown and active advocate for the inclusion of all employees at all levels and allow them to use their intelligence and apply their ideas. Skillness is required of all, not just the management of the organization.

Learning environment means that people are committed to change within the organization must be oriented to action and that they have at their disposal applicable means and methods<sup>7</sup>.

Key processes that take place in "learning organizations" are:

- Empowerment of employees at all levels
- accumulation of knowledge and the distribution of internal knowledge
- collecting and integrating external information
- Review of the status quo and enabling creativity

The basic condition for the empowerment of employees is effective leadership. Leaders need to see themselves as flexible as the resources ready to take numerous actions and create an environment where employees can express their potentials.

The authority is tantamount to delegating responsibility from higher to lower levels in the organization.

The strategy of giving greater authorization to employees includes:

- Start at the top
- Explain the organization's mission, vision and values
- Clearly define the tasks, roles and rewards for employees
- Determine the responsibility
- Make sure that employees are accountable for their results.

<sup>4</sup> Pedler, Burgoyne, Boydell: „*The Learning Company*“, Mc Graw-Hill Book Company, London, 1997, p. 5

<sup>5</sup> Karash Richard: „*Learning-Org Dialog on Learning Organizations*“, <http://world.std.com/~lo/>, 08.12.2003

<sup>6</sup> Damir Ivan Konjevod: „*Organizacija koja uci*“, Intelligent [Software@emai.com](mailto:Software@emai.com), 08.12.2003

<sup>7</sup> Dess G., Lumpkin, T., Eisner, A., „*Strategijski menadzment*“, Data Status, Beograd, 2007, p.411

Effective organizations must carry out the distribution of information, knowledge, and rewarding.

Employees must be familiar with the business goals and objectives, as well as their relations with the key activities that create values. Organizations should establish remuneration based on the efficient use of information, knowledge, and power to improve the quality of service provided to the customer and financial results.

## **RESUME**

For the success of the organization is vital to identify opportunities and risks in the external environment and within the organization. Organizations and environments become more complex and rapidly evolving, management and employees need to become aware of trends and events in the environment and be familiar with their competitors.

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